GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1818
ANSWERED ON:25.11.2016
Complaints agaisnt Banks and Insurance Companies
Misra Shri Ajay (Teni);Sahu Shri Lakhan Lal

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received complaints against banks/insurance companies alleging irregularities and violation of prevention of money laundering act and harassment of their customers for sanctioning of loans;

(b) if so, the details thereof including the number of such complaints received during each of the last three years, bank/ insurance, company-wise;

(c) the action taken on such complaints by banks and insurance companies during the said period, bank and insurance company-wise;

(d) the mechanism put in place by the Government to monitor the functioning of bank and insurance companies and to check irregularities/malpractices; and

(e) the remedial steps taken/being taken by the Government to redress these complaints and improve the efficiency of the banks and insurance companies in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (c): Directorate of Enforcement has informed that they have initiated investigations under the provisions of Prevention of Money Laundering Act, 2002 against certain officials of Bank of Baroda, New Delhi, Oriental Bank of Commerce, Ghaziabad and Indian Overseas Bank, Chandigarh.
(d) & (e): The Reserve Bank of India has issued a Master Direction DBR.AML.BC.No.81/14.01.001/2015-16 dated February 25, 2016 on Know Your Customers (KYC) to all its regulated entities, including the banks, which are required to follow certain customer identification procedure while undertaking a transaction either by establishing an account based relationship or otherwise and monitor their transactions.

Insurance Regulatory and Development Authority has established "Integrated Grievance Management System (IGMS) which enables the Authority to keep track of all complaints flowing into the system and also to capture the complaints based on the specific nature of complaint/category.
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